UNIVERSITY OF CANBERRA

Faculty of Business, Government & Law Assignment Coversheet

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Name of lecturer/tutor	Dr. Bruce Stenlake
Assignment Topic	Ques 1). Planning organizational change appears to be easy but implementing change is always difficult .Why is this so?
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You must keep a photocopy or electronic copy of your assignment.

Student declaration

I certify that the attached assignment is my own work. Material drawn from other sources has been appropriately and fully acknowledged as to author/creator, source and other bibliographic details. Such referencing may need to meet unit-specific requirements as to format and style.

Signature of student: Namgay Wangchuk **Date: 4 May 2014**

Assignment feedback

Assessment criterion	Comments	Marks
	TOTAL	

General comments

Date of submission: 4th May 2014

Ques. 1) Planning organisational change appears to be easy but implementing change is always difficult. Why is this so?

Introduction

This essay talks about the need for organizational change and its difficulties in implementing change. Many organizations have gone through turbulent time to adapt and survive in the rapid pace of globalization, technological innovation and demographic trends in the complex market (Graetz, Rimmer, Smith, & Lawrence, 2012). The essay tries: to define organizational change, explain difficulties in implementing organizational change, recommendations to overcome organizational members' resistance to change and successful case studies of organizations that have stood against time.

However, to implement the plan for the organizational change, there are lots of challenges that the organizations must face such as: power resistance, misuse of power, organizational culture and inadequate resources (Graetz et al., 2012).

What is organizational change? Why?

Organizational change has no definite definition. And it would be futile to define organizational change in one comprehensive theory. Since, many analysts view change from different angles, and it is a very broad perspective. According to Graetz et al. (2012), Change is a normal part of business life (p. 2). The main motive for going about change is to improve productivity, performance and effectiveness of the organization. Change would also mean introduction of new or better ways of doing things, for instance creating new structure, strategy, system, organizing human resources and culture that is better customized to organization's mission (p. 3). It is a clear focus of future possibilities, planning direction, adaptive and following sustainable practices (p. 23). However, organizations must find an approach that is adaptive, responsive, innovative and opportunistic to survive and succeed in today's global world. In an Australian government website, it says companies that do not invest in innovation put their future at risk. Their business is unlikely to prosper, and they are unlikely to be able to compete. The UK office of science and innovation sees innovative change as the motor of the modern economy, turning ideas and knowledge into products and services.

Limitations and difficulties in implementing change

Unfortunately, many employees don't respond positively to change. There will be always a group of people in an organization, who would resist and oppose change. Kennedy said that, about twenty percent of the people are against any change. And to implement change in an organization is complex task, where we need to take into considerations of many factors. It is difficult to bring a change, because you are not just dealing with structure and operations of an organization but you need to change people's behaviour (Kotter, 2012).

Planning for organizational change is easier compared to the implementing. Strategic planning involves: evaluating the past, understanding the present and predicting the future. To evaluate how successful is the organization in the past, we just need to collect the past data and analyze it. To understand the present situation, we need to observe the present trend and its status in the market. And finally, predicting the future is easily done by conducting a trend analysis over a historical data which are available in the organization (Romeo, 2008). Therefore, planning is easier than implementing changes, because it just about drawing, designing outlines in written form and it is a merely theoretical. And while planning, we cannot foresee all the unpredictable external and internal drivers that would have immense impact on the organization.

According to Adenle (2011), many employees resist change, because of: instability or loss of job, bad communication strategy, shock and fear of the unknown, lack of competence, lack of support system and comfort.

The other reason is organizational culture. With past success tend organizations become less open to new and fresh ideas, less willing to take risks. This behaviour prevents them from moving forward, the organization become lazy and unimaginative. So, for the companies to thrive they should inculcate the culture of openness, information sharing, mutual trust and respect. This culture actively encourages people to step outside the square and challenge the way we do things (Graetz et al., 2012, p.64).

Human resource management (HRM) policies and practices are key levers to generate, implement and sustain organizational change. They must attract employees who will fit the organization's changing needs. They should create a supportive culture and develop human resource strategies and policies that help the organization adapt to its environment and meet its objectives. HRM system should have sound human resource planning, which provides equal access to developmental and training programs. They must seek for holistic performance management tool, for example many industries use performance-based reward and 360-degree feedback to measure and retain best performing employees (Graetz et al., 2012, p.201).

It is said that organizational members may resist change for four principles. First, because they fear change and are anxious (psychological model); second, because they see change as impractical (system model); third, because they see no need for change (institutional model); and fourth, they wish to correct any imbalances that have affected the status quo (cultural model) (Graetz et al., 2012, p.237). In psychological model, resistance is the result of emotional responses like fear of loss of status, privilege and personal trauma. In system model, resistance to change is due to pattern of behaviours within an organization's network, economic environment and external factors. Institutional thought says, old ways of thinking and doing work may be powerful and ingrained in the organization. Thus resistance become institutionalized and programmed within the system. Lastly, culture governs and dictates how the employees behave. It becomes a pattern of beliefs and expectations that are common to members of a social unit and subsequently set the behavioural standards for all the new employees.

Recommendations to overcome change resistance employees

Researchers have interpreted 'resistance to change' in various ways. As per Agocs (1997), he explains that resistance can include wide range of behaviours, like refusal to engage in joint problem solving, refusal to seek common ground, silence, sabotage, lack of cooperation.

The very first reason why people resist change is because of lack of communication. Adenle (2011), says that communication must be timely, straightforward, true and

consistent. It is very important that employees know: the reasons for the change, what needs to be achieved? Why we must change? How we are going to implement change? Who all are responsible? To have good communication, a variety of communication pathways and vehicles should be used like: e-mails, internet website, memos, notices, staff meetings, questionnaires and face to face conversations.

And all in all leadership matters, as they should be effective change agents. Top down chain or hierarchical approach must be replaced with autonomous work groups and the concept of 'self leadership'. The role of leader must shift as a guide, counsellors and negotiators. Leaders should have the ability to lead, influence and guide others in today's increasingly complex and unpredictable environment. One important thing, leaders must do is to empower their employees, not control. And the best way is, leaders should not steal responsibility from people. Leaders should also possess overarching strategy to articulate vision, motivate and lead by example (Graetz et al., 2012, p.145). Goleman (as cited in Graetz et al., 2012) states that, leaders should acquire emotional intelligence to work with others. Like being self aware of one's weakness and strength. They have to possess self control, to analyse the situation calmly and logically. They ought to have passion and enthusiasm for their work, and the ability to consider and acknowledge employees' needs and opinions (Graetz et al., 2012, p.146).

The Hongkong and Shanghai Banking Cooperation have undergone significant change to adapt to range of factors like economic recession, government instability, fluctuating market and new technologies. It was very difficult for the bank to change the negative attitudes of its employees and to make them fit and engage in organization culture. To overcome this problem the bank launched 'together we win' campaign, workshops, questions and answer sessions with management, video and audio activities. These activities really increased the job satisfaction of employees and there were improved in interaction between employees (Graetz et al., 2012, p.8).

The recommendation or a solution to change resistance employees would be empowering them. Thus, it would liberate employees, improve financial performance, improve relations and increase job satisfaction. The empowerment approach has reduced the feelings of powerlessness, and it has helped the

employees by creating a sense of ownership. With the empowerment, we can increase the commitment and involvement of the workers. The change should emerge naturally, rather than being imposed from the top down (Graetz et al., 2012, p.225). On the other hand, empowering employee program may fail due to institutionalized resistance. As employees don't want power and they don't want to be accountable.

Another case study of Wesfarmers a largest conglomerates organization in Australia was underperforming badly and its senior management was accused of being 'asleep at the wheel'. But the new Managing Director, McLeod turns the story around, and he brought back the business to its place by his innovative plan. Before implementing changes, he tried to understand the grassroots level of the system. He frequently talked with his staff, and understood the real situation of the ground work. He visited many places to understand the best practices used in the markets. He encouraged staff to ask questions and share their thoughts and ideas to improve the organization. Instead of cutting costs, he focused more on streamlining business systems and processes. Trainings and programs for professional development of mangers were reinstated. Customer services were improved (Graetz et al., 2012, p.38).

Managers are supposed to keep their eyes open, they should find out fears of the team members that will be affected. And they must involve these people who will be affected by change in the decision making process, and think of ways to overcome those fears. Managers must build confidence in the employees and support them to see change from broad perspectives (Adenle, 2011). Managers should not push their employees out from their comfort zone, as far as possible employees must feel safe and comfortable.

Senge (1993), states that 'traditional resource-based' organizations must give way to 'knowledge based' organizations. In a resource-based organizations they try to add value to their existing resources like (machines, raw materials, financial and human resources), and uses these resources to produce a new resource. Nevertheless, the knowledge-creating company also uses resources, but they focus more on

knowledge-creating process. The crucial distinction between traditional and knowledge-creating organizations is the number of people at different levels who participate in direction setting. In traditional directions (strategic objectives or vision) are set from the top. By contrast, in the knowledge-based vision is shared and can emerge from all levels of the organization. In traditional only top level members think and subordinates act, but such authoritarian and centralized control systems of management are broken down today. It is simply no longer possible to figure it all out from the top, but in knowledge-based, thinking and acting integrated at all levels.

Conclusion

To summarize, when the organizations' purse string becomes tighter, we must think of innovative ideas that have the potential to change the quality of life and generate profit. Organizations must strive to remain competitive and relevant in this worldwide change, such as global competitions, economic crisis, advance in technology, changing customer and employees' expectation. Organizational planning is easy, but to successfully implement innovative change in an organization is very complex and demanding. We need to employ different theories and strategic approaches to make changes effective and successful. There are so many unpredictable internal and external factors that drive the organization for innovative change. "The ability to make meaningful change is vital to an organization for competitive success" (Graetz et al. 2012). We cannot neglect change, change is inevitable and it should happen.

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